Strengthening the Defense Acquisition Workforce

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October 26, 2010

The Case

$1.6 Trillion

http://view.dau.mil/dauvideo/view/eventListing.jhtml?eventid=2275&c=

Leadership Alignment and Strategic Direction

Barack Obama President

March 4, 2009 White House Memo

Improve the capacity & ability of the Federal acquisition workforce

Top Priority: High Quality Acquisition Workforce

OMB Direction July 29, 2009

National Security Strategy

National Defense Strategy
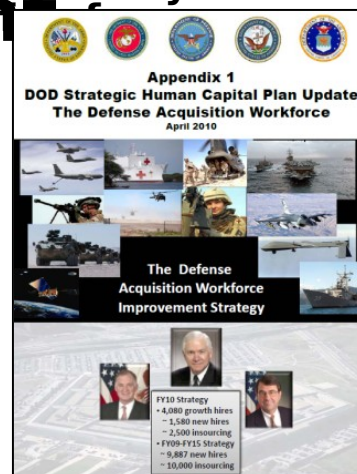
April 6, 2009 Announcement

Objective: Restore & Rebalance Defense Acquisition Workforce

Robert Gates Secretary of

Hon. Dr. Ashton Carter Under Secretary of Defense (AT&L)

Appendix 1
DOD Strategic Human Capital Plan Update
The Defense Acquisition Workforce
April 2010

The Defense Acquisition Workforce Improvement Strategy

FY10 Strategy
• 4,080 growth hires
~ 1,580 new hires
~ 2,500 insourcing
• FY09-FY15 Strategy
• 9,887 new hires
~ 10,000 insourcing

DAW Plan - April 2010

The Under Secretary of Defense AT&L

Hon. Dr. Ashton Carter Under Secretary of Defense (AT&L)

"Quantity is important, but quality is paramount. Of all our programs in AT&L, the most important is to increase the competence, quality, and performance of the acquisition workforce. That matters more than any organizational reform….

The quality of people is the most important variable we can change to alter acquisition outcomes."

Leadership and Other Drivers… Strengthen the Acquisition Workforce

- **President's 4 March 2009 Memo** – assess and ensure capacity of acquisition workforce to develop, manage, and oversee acquisitions appropriately

- **OMB Memo's July 2009 "Improving Government Acquisition" & "Managing the Multi-Sector Workforce"**

- **SECDEF Intent** -- 6 April 2009 – restore and rebalance acquisition workforce; 20,000 growth by FY2015 - includes 10,000 growth related to in-sourcing (supports Acquisition Reform and DOD Efficiency Initiatives)

- **Quadrennial Defense Review** – February 2010 "…bolster the capability and size of the acquisition workforce."

- **USD (AT&L)** – "Workforce quality is paramount" (April 2010 HCSP)

- **Human Capital Planning for DoD AT&L Workforce identified as High Risk by GAO** (lacks critical information on competencies and skills)

- **OPM HCAAF Human Capital Assessment and Accountability Framework**

- **SECDEF Efficiency Initiative** – Complete Acq Workforce Growth – Essential to Acq Reform and Efficiency Objectives

- **Active Congress** – Report on acquisition workforce strategy, gaps, plan. Tools Provided – Workforce Fund, Hiring tools (Section 1108)

Key Workforce Capability Questions

Key strategic and management questions:

- **What overall capability do we need to execute the acquisition mission?**
- **What "workforce" capability do we need?**
- **Which competencies are mission critical? Priority?**

- **What competency gaps exist?**
- **What is our assessment of near term and long term workforce capability risk?**
- **What solutions will help us mitigate risk? What is the case for our mitigation approach?**
- **What are the opportunities for strengthening workforce success - quality, capability and outcomes?**

Moving to a Risk-Based Workforce Management

Defense Acquisition Workforce Activist Congressional Interest

FY06 NDAA Sec 814 Integrated Acq Structure & Capabilities
(Report submitted to Congress June 2007)

FY07 NDAA Sec 853 Program Manager Empowerment/Accountability
(Report submitted to Congress Oct 2007)

FY07 NDAA Sec 801 Requirements Training
(Update report provided to Congress; training deployed)

FY07 NDAA Sec 820 Performance of Critical Acq Functions (w/I 5 years)
(Will be part of next Human Capital Report to Congress)

FY08
(Will

FY08
(Depl

FY08
(Will

FY08
(Will

FY08
(USD

FY09
(Auth

FY09
(Will be part of next Human Capital Report to Congress)

> **Many Laws To Improve Acquisition Workforce**

FY09 NDAA Sec 1111 Lifts HQ Ceiling Caps for Acquisition Workforce
(Authority available)

FY09 NDAA Sec 503 Provides for increasing acquisition flag officers
(increases in-progress)

FY09 Weapon Systems Acquisition Reform Act
(Requires improved recognition of acquisition workforce – USD AT&L signed implementing memo August 3, 200

Nov 2008 SASC letter to SECDEF – Rebuild Acquisition Workforce (co-signed by Senator's Levin and McCain

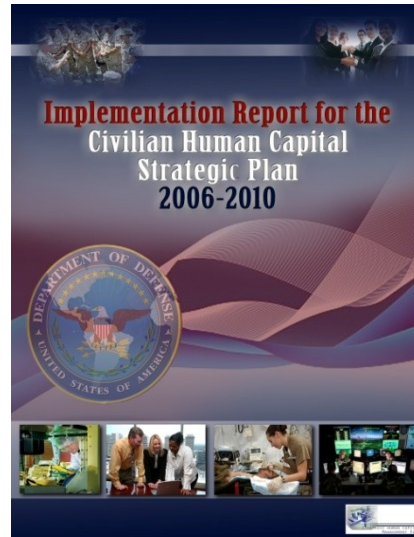**FY10 NDAA Modifies DAW Development Fund & Improves Expedited Hiring Authority for DAW**
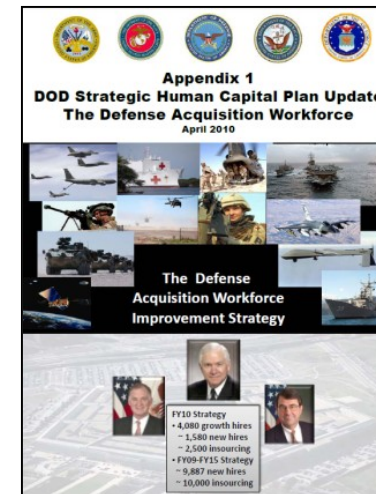
Defense Acquisition Workforce Human Capital Plans

DOD - March 2010

AT&L – April 2010

AT&L - 2007

AT&L 2006

Appendix 1

https://acc.dau.mil/acquisitionworkfor
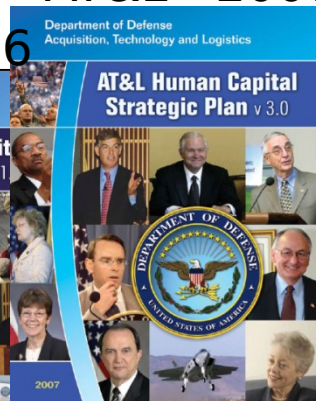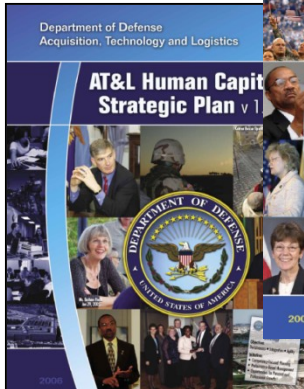
Total Defense Acquisition Workforce Growth
Through FY11 Q3 (FY08 PB23 Baseline)

Defense Acquisition Workforce Career Field	ARMY	NAVY	AF	DCMA	DCAA	Other	Total FY11Q3	Total FY09	FY10 Growth	FY08 Baseline	Change From Baseline	% Change from Baseline
Auditing	-	-	-	-	3,999	2	4,001	3,777	224	3,499	502	14.3%
Business - Cost Estimating (BUS-CE)*	192	416	289	2	-	6	905	-	905		905	8.6%
Business - Financial Mgmt*	2,587	2,116	1,787	145	-	353	6,988	7,262	(274)	7,269	(281)	
Contracting	8,913	5,879	7,718	2,532	2	4,249	29,293	27,655	1,638	27,457	1,836	6.7%
Facilities Engineering	1,588	5,055	23	-	-	7	6,673	5,420	1,253	4,491	2,182	48.6%
Industrial/Contract Property Mgmt	85	78	28	288	-	15	494	475	19	537	(43)	-8.0%
Information Technology	2,086	1,536	987	154	-	197	4,960	4,358	602	4,270	690	16.2%
Life Cycle Logistics	8,755	5,094	2,307	33	-	106	16,295	14,852	1,443	12,883	3,412	26.5%
Production, Quality and Manufacturing	2,071	2,157	408	4,187	-	668	9,491	9,023	468	9,847	(356)	-3.6%
Program Management	3,465	5,106	4,876	349	1	739	14,536	13,422	1,114	13,474	1,062	7.9%
Purchasing	349	573	154	5	2	222	1,305	1,238	67	1,041	264	25.4%
SPRDE - S&T Manager	241	305	1,885	11	-	118	2,560	623	1,937	425	2,135	502.4%
SPRDE - Systems Engineering	10,660	18,715	7,544	738	-	686	38,343	36,470	1,873	34,501	3,842	11.9%
SPRDE - Program System Engineer (PSE)*	26	92	116	32	-	12	278	234	44		278	
Test and Evaluation	2,296	2,972	2,833	17	-	271	8,389	7,892	497	7,433	956	12.9%
Unknown/Other	14	-	7	1	-	22	44	402	(358)	656	(612)	-93.3%
TOTAL Statutory Workforce Count	**43,328**	**50,094**	**30,962**	**8,494**	**4,004**	**7,673**	**144,555**	**133,103**	**11,452**	**127,783**	**16,772**	**13.1%**
Acquisition Career Field	**ARMY**	**NAVY**	**AF**	**DCMA**	**DCAA**	**Other**	**Total FY11Q3**	**Total FY09**	**FY10 Growth**	**FY08 Baseline**	**Growth From Baseline**	**% Change from Baseline**

*Note. Since the FY08 baseline the Business and SPRDE Systems Engineering career fields were further broken out into additional career paths
Source: AT&L Data Mart; prepared by AT&L HCI

Dr. Aston Carter's Efficiency Initiative... June 28, 2010

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

JUN 28 2010

MEMORANDUM FOR ACQUISITION PROFESSIONALS

SUBJECT: Better Buying Power: Mandate for Restoring Affordability and Productivity in Defense Spending

I have written to you previously to emphasize, with President Obama and Secretary Gates, that your highest priority is to support our forces at war on an urgent basis. Over the last year, the Department has also worked to reform its acquisition system, including implementing the Weapon Systems Acquisition Reform Act. Today I write to give direction on another important priority: delivering better value to the taxpayer and improving the way the Department does business.

We are a nation at war, and the Department does not expect the defense budget to decline. At the same time, we will not enjoy the large rate of growth we experienced during the years after September 11, 2001. We must therefore abandon inefficient practices accumulated in a period of budget growth and learn to manage defense dollars in a manner that is, to quote Secretary Gates at his May 8, 2010 speech at the Eisenhower Library, "respectful of the American taxpayer at a time of economic and fiscal distress."

This reality, combined with a determination to take care of our service members and avoid major changes in force structure, has led the Secretary and Deputy Secretary to launch an efficiencies initiative in the Department. The initiative requires the Department to reduce funding devoted to unneeded or low-priority overhead, and to transfer these funds to force structure and modernization so that funding for these warfighting capabilities grows at approximately three percent annually. This is the rate of growth needed historically to continue to give the troops what they need.

Some of these savings can be found by eliminating unneeded programs and activities; and, indeed, the Department's leadership has already taken strong action in this area and will need to do more. But other savings can be found within programs and activities we do need, by conducting them more efficiently. Deputy Secretary Lynn expects that two-thirds of the savings transferred to warfighting accounts should come about this way. Pursuing this kind of efficiency is the purpose of my message today to the Department's acquisition professionals. We need to restore affordability to our programs and activities. I would like

"....We are a nation at war, and the Department does not expect the defense budget to decline. At the same time, we will not enjoy the large rate of growth we experienced during the years after September 11, 2001. We must therefore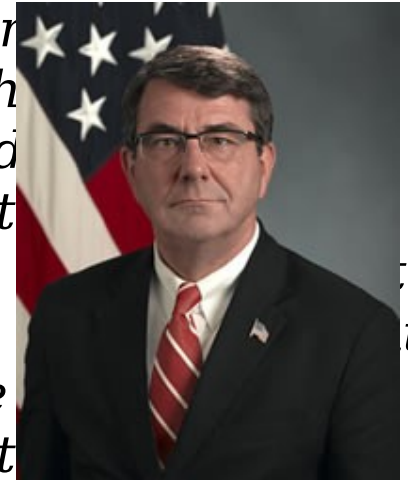 **abandon inefficient practices** accumulated in a period of budget growth and learn to manage defense dollars in a manner that is, to quote Secretary Gates at his May 8, 2010 speech at the Eisenhower Library, 'respectful of

Efficiency Initiative Implementation

Guidance Memorandum dated, 14 September

Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending

5 Major Platform Areas
(23 Principal Actions)

➢ Target Affordability & Control Cost Growth

➢ Incentivize Productivity & Innovation in Industry

➢ Promote Real Competition

➢ Improve Tradecraft in Services Acquisition

➢ Reduce Non-Productive Processes & Bureaucracy

Target Affordability & Control Cost Growth

- Mandate affordability as a requirement
  - At Milestone A set affordability target as a Key Performance Parameter
  - At Milestone B establish engineering trades showing how each key design feature affects the target cost
- Drive productivity growth through Will Cost/Should Cost management
- Eliminate redundancy within warfighter portfolios
- Make production rates economical and hold them stable
- Set shorter program timelines and manage to them

Incentivize Productivity & Innovation in Industry

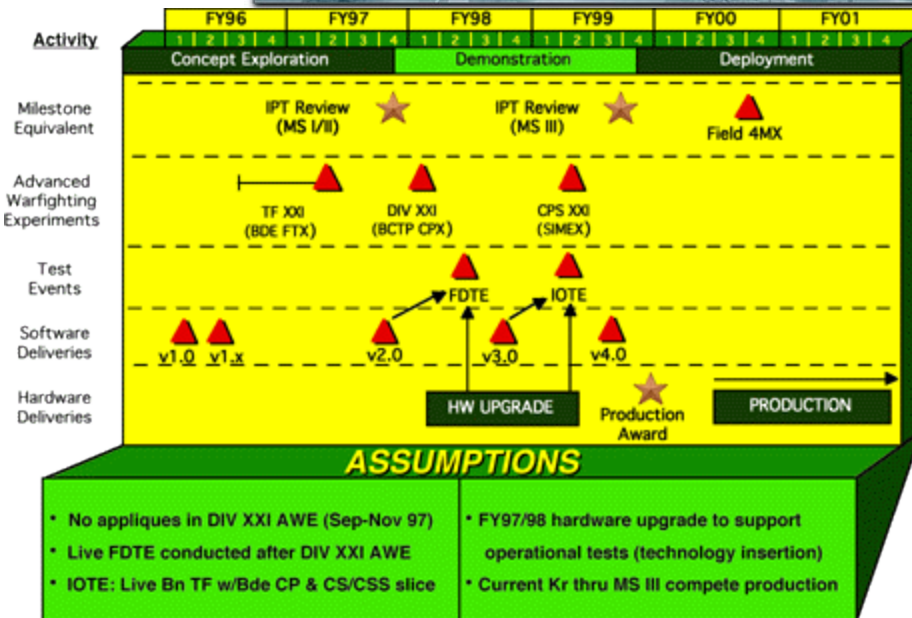- Reward contractors for successful supply chain and indirect expense management
- Increase the use of FPIF contract type where appropriate using a 50/50 share line and 120 percent ceiling as a point of departure
- Adjust progress payments to incentivize performance
- Extend the Navy's Preferred Supplier Program to a DoD-wide pilot
- Reinvigorate industry's independent research and development and protect the defense technology base

Promote Real Competition

- Present a competitive strategy at each program milestone
- Remove obstacles to competition
  - Allow reasonable time to bid
  - Require non-certified cost and pricing data on single offers
  - Require open system architectures and set rules for acquisition of technical data rights
- Increase dynamic small business role in defense marketplace competition

MQ-8B Fire Scout
Air Vehicle Specifications
United States Navy

Air Vehicle
Length Folded . . . . 22.87 ft (7.0 m)
Rotor Diameter . . . . 27.50 ft (8.4 m)
Height . . . . 9.42 ft (2.9 m)
Gross Weight . . . . 3,150 lbs (1428.8 kg)
Engine . . . . Rolls-Royce
                           Model 250-C20W
Speed . . . . 125+ Knots
Ceiling . . . . 20,000 ft (6.1 km)
Endurance
Total Flight Time with Baseline Payload
. . . . 8+ Hours
Total Flight Time with 500 lb Payload
. . . . 5+ Hours

Activity

	FY96	FY97	FY98	FY99	FY00	FY01

Concept Exploration | Demonstration | Deployment

Milestone Equivalent — IPT Review (MS I/II) — IPT Review (MS III) — Field 4MX

Advanced Warfighting Experiments — TF XXI (BDE FTX) — DIV XXI (BCTP CPX) — CPS XXI (SIMEX)

Test Events — FDTE — IOTE

Software Deliveries — v1.0 v1.x — v2.0 — v3.0 — v4.0

Hardware Deliveries — HW UPGRADE — Production Award — PRODUCTION

ASSUMPTIONS

- No appliques in DIV XXI AWE (Sep-Nov 97)
- Live FDTE conducted after DIV XXI AWE
- IOTE: Live Bn TF w/Bde CP & CS/CSS slice
- FY97/98 hardware upgrade to support operational tests (technology insertion)
- Current Kr thru MS III compete production

Improve Tradecraft in Services Acquisition

- Create a senior manager for acquisition of services in each component, following the Air Force's example
- Adopt uniform taxonomy for different types of services
- Address causes of poor tradecraft in services acquisition
  - Assist users of services to define requirements and prevent creep via requirements templates
  - Assist users of services to conduct market research to support competition and pricing
  - Enhance competition by requiring more frequent re-compete of knowledge-based services
  - Limit the use of time and materials and award fee contracts for services
  - Require that services contracts exceeding $1 B contain cost efficiency objectives
- Increase small business participation in providing services

Reduce Non-Productive Processes & Bureaucracy

- Reduce the number of OSO-level reviews to those necessary to support major investment decisions or to uncover and respond to significant program execution issues

- Eliminate low-value-added statutory processes

- Reduce by half the volume and cost reports

- Reduce non-value-added overhead imposed on industry

- Align DCMA and OCAA processes to ensure work is complementary

- Increase use of Forward Pricing Rate Recommendations (FPRRs) to reduce administrative costs

DAW Continuous Improvement Ideas

1	Improve rigor of certification standards and training
2	Increase emphasis on key experience - implement "Acquisition Qualification Standards
3	Require more deliberate military career development and paths
4	Key workforce management approach - risk-based management of workforce - narrower focus
5	Improve acquisition career paths to create hierarchy of increasingly responsible positions; centralize assignment management and compete at least each KLP position
6	Significantly increase investment and improve earlier civilian leadership training
7	Update vision for the acquisition workforce
8	Support, equip and require a positive engagement of supervisors with employees at local level to achieve organizational and enterprise workforce objectives
9	Improve rigor of certification program by requiring recertification every five years and written tests to demonstrate competence
10	accurately communicate total mission performed (emphasize all disciplines of acquisition team that contribute to successful and improved acquisition outcomes
11	Minimize "being unique" amongst total DOD team and better integrate acquisition workforce as part of the whole
12	Empower and equip field to be great at assessing local workforce gaps and responding to gaps with tailored, in-context training
13	Ensure retention of consistent core policy, standards, and training that contribute to the overall quality of the acquisition workforce
14	Reward the workforce for knowing and practicing the business; not for checking a block that they got certified
15	Retain strong central policy and standards; empower and equip field to improve local management of workforce

DAW Continuous Improvement Ideas

16	Increase use of local targeted, in-context training and increase use of mentoring and targeted developmental (experience) assignments
17	improve use of incentives and ethical guidelines
18	Take on more attributes of a profession - certification testing
19	Take opportunity to leverage outside best practices
20	Scrub, streamline DAWIA; identify low value structure and processes - eliminate
21	Develop a workforce Oath for the acquisition workforce that captures the integrity and principles
22	Identify acquisition outcomes that matter and link/measure to workforce
23	streamline outdated processes and policy
24	Use a "pull" approach to filling key acquisition positions; improve "best fit" job match processes and tools
25	Significantly increase focus on "Experience-focused" development
26	Certification is critical element of being a profession - make certification requirements more stringent
27	Make a Military acquisition career path more realistic - ensure a visible way to the top
28	Increase focus on filling key positions with "best fit" right people for the job for all KLPs
29	Empower and require a proactive AT&L Workforce Management Group (WMG) to achieve SECDEF objectives; require improved connection to "on the ground" program and workforce needs (field connection)
30	Improve tracking and leveraging of 852 initiatives and best practices across Components and leverage for efficiency

DAW Continuous Improvement Ideas

31	**Significantly improve consistency in designating acquisition positions, identifying workforce and key work they do (e.g., what programs they support; what major type of acquisition do they do); and significantly improve ability to track workforce qualifications more accurately**
32	**Identify and leverage common enterprise competencies**
33	**Leverage comptency process to become more data driven; e.g, use key situation data from competency initiative to develop improved workforce qualification tools**
34	**Strengthen communication and linkage between DACMs and Functional Community Leaders; Increase and leverage Functional Leader crosstalk, sharing, and drive migration of best practices across FIPTs**
35	**Establish consequences for not meeting workforce requirements (e.g., certification)**
36	**Move to more civilians on Key Leadership Positions**
37	**Move to less training for the masses; more targeted training for key positions**
38	**Consider stronger centralized control of acquisition workforce resources**
39	**Increase management over categories of key acquisition positions (e.g, smaller groups, narrower focus)**
40	**Increase emphasis on Tenure**
41	**Achieve Consistency in Coding/Designating Acquisition Positions**
42	**Place greater emphasis on the workforce getting key experiences**
43	**Improve ability to measure acquisition outcomes; then link to improved, targeted workforce management to improve acquisition outcomes**
44	**improve KLP tenure and stability**
45	**Accelerate workforce becoming experienced; seaonsoned, highly qualified acquisition professional**
46	**Improve identity of contracting workforce sub-specialities; increase Level III training rigor (e.g, CON353)**
47	**Establish refresher course every five years**
48	**Strengthen certification requirements and tracks**

FY11 Overview

FY2011 | | | | | | | | | | | | | | | FY2012

	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D

Strategy/Progress Updates/HCSP — ★ N, ★ F, ★ J, ★ N

Senior Steering Board (SSB) — ★ N, ★ J, ★ J, ★ N

Workforce Management Group (WMG) — ★ J, ★ M, ★ A

Metric Reporting to OMB/CMO — ★ O, ★ J, ★ M, ★ J, ★ N

AT&L/FCM/SSB "Guidance" Update* — ★ A

DAWDF Strategy/Initiative Reviews — ★ J, ★ M, ★ A

Hearings/Legislative Proposals/NDAA — Hearings/Proposals ★——————★ ; NDAA

HCSP #1 –Grow Workforce 20,000 — Sustainment Programmed (POM12) | Sec 820 Key Positions Govt by Oct 2011

HCSP #2 –Improve Total Force Mgt — Consistent Definition for Contractor Support (no date) | Improve, Integrate HR, Manpower, Budget, Data Mart Info to support decisions (9/30)

HCSP #3 – Improve MDAP Staffing — Staffing Plans Done (9/30) | Data Strategy for Improved Visibility of MDAP Staffing

HCSP #4 – Improve Certification — Improve Certification Construct to Emphasize Experience (no date) | Establish Enterprise Certification Goals (6/30)

HCSP #5–Improve Analysis Capability — Improve Analytics, Transparency, Metrics (6/30) | Complete In-depth Military Analysis (9/30)

HCSP #6 – Fill Gaps/Recruiting — Components Validate Gaps, Evolve Plans, Track (Monthly and Qtrly) | Focus Recruiting on Military. Track/Report Veteran Hiring as of 9/30 annually

HCSP #7 – Fill Gaps/Retention — Define, Identify, Implement Incentives/Pay Policies; Improve KLP Candidate Pool (9/30)

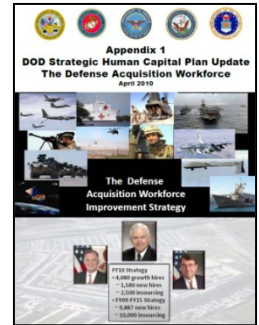**HCSP #8 – Improve Learning Tools** — Enhanced Mission Assistance for MDAPS/MAIS Programs starting 01/10 | Deploy Certification Improvement Initiatives (9/30)

*Major Annual Guidance; other guidance as necessary from AT&L and SSB

"8" Defense Acquisition Workforce
Key Strategy Enablers/Initiatives

1. **Achieve the SECDEF Growth Strategy – 20,000**

2. **Deploy Tools to Assess, Track, and Account for "Total Force" Defense Acquisition Workforce Capability and Capacity.**

3. **Right size and right shape Major Defense Acquisition Program (MDAP) office staffing with the right skilled people to enable successful program outcomes.**

4. **Establish enterprise certification goals as a management tool for improving workforce quality.**

"8" Defense Acquisition Workforce Key Strategy Enablers/Initiatives
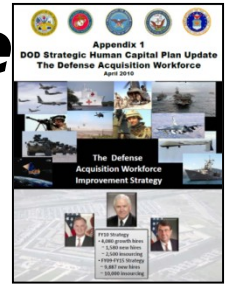
5. Establish a comprehensive workforce analysis and decision-making capability.

6. Establish robust recruiting strategies focused on interns, journeymen, and Highly Qualified Expert (HQE) initiatives.

7. Attract and retain a high quality, high performing military and civilian acquisition workforce.

8. Provide an integrated, interactive learning environment that helps acquisition workforce members, teams, and organizations improve acquisition outcomes.

FY11 DAW Workforce Priorities

- Finish and Sustain SECDEF Growth Initiative
- Strategy and Initiatives Focus – Improve Workforce Quality (Experience) – Improve Acquisition Outcomes
- Identify and Contribute to SECDEF Efficiency Objectives
- Follow-through/update DAW HCSP "8" Major Initiatives
- Improved analytics and workforce identification
- Leverage Proactive, Integrated WMG for Improved Smart Partnering, Communication and Decisions
- Your input _____

Thank You

- What you do is important…a word on the big "C"

http://prhome.defense.gov/VIDEO/